AMENDMENT TO SPECIFICATION

Please amend the following paragraphs in the Specification as follows:

1. Paragraph 4:

Various types of pre-pay systems exist, such as pre-paid phone card, pre-paid store cards, and gift certificates. These systems offer the advantage of requiring a single purchase transaction for one sum after which time the card can be used for one or more purchases. Such cards, however, offer no protection against theft: anyone who gets possession of the card or the card number can use it to make purchases.

2. Paragraph 29:

When someone wishes to purchase a token for their own use, he or she is both the giver and the receiver 501. The receiver 501 sends a request to purchase a token from the token distributor 500 (step 600). The request preferably contains a piece of data that uniquely identifies the receiver ("User ID"). If the receiver has previously "registered" with the token distributor ~~and~~ then the token distributor has given the receiver a unique receiver identification number. The request further identifies the amount that the receiver wishes to purchase. The request includes the receiver's credit card information, such as the credit card number, the type of card, the expiration date and the like.

3. Paragraph 32:

With either a token or gift certificate, the receiver/user 501 uses specialized software to install the ~~otken~~ token on the user's computer. Once the token or gift certificate has been installed, a User can use the token to purchase a product or service. FIG. 2 illustrates the redemption process 800 from the perspective of the token distributor/redeemer entity. The token distributor receives a request transmitted by a user to make a purchase with a token (810). This request includes the token identifier and, preferably, the User identifier. The user's specialized software allows the user to simply request to use available tokens, without necessarily requiring the user to type the token identifier. The user's software simply accesses the stored token data and the purchase request then automatically includes the token information. The token

distributor runs a couple of checks on the token to determine whether it can be used for the purchase. The distributor interrogates its database to determine whether the token identifier is stored in association with the User ID, as specified in the request (820). If the token identifier and the user identifier do not "match" in this manner, then the distributor transmits a message indicating that the token cannot be used (830). If the token identifier and the user identifier match, then the distributor determines whether the price or amount for the product(s) to be purchased is greater than the value of the user's token (840). If the token is for equal or greater value than the purchase price, then the purchase price is subtracted from the token value and the balance is stored in the database (850).

4. Paragraph 34:

A preferred token table in the token distributor's database 510 is illustrated in FIG. 3. The table contains records of individual tokens purchased by customers. Each record contains fields for the following types of data: the token identifier, the TokenGUID, the vendor identifier (identifying the vendor which sold the token), the customer identifier (identifying the customer owning the token and ~~refering~~ referring to a key in the Customer table of the database), the purchaser identifier (identifying the person who purchased the token and referring to a key in the Customer table of the database), the balance amount in the token, the ~~data~~ date on which the token was purchased, and the date of the last transaction involving the token. In an embodiment in which tokens are prescribed to have a limited life, the token table includes a "void after" date.

5. Paragraph 38:

Here follows a detailed description of the use of tokens and gift certificates as they would be incorporated into a system for distribution of licensed copyrighted materials in digital form. A system and method for distributing digital licenses is described in U.S. application for patent, U.S.S.N.[[_____]] 09/844,707, filed April 27, 2001, entitled Licensed Digital Material Distribution System and Method, by Hillegass et [[al]]al., and is incorporated herein by reference.

6. Paragraph 74:

As illustrated in FIG. [[8]] 12, digital user tokens and gift certificates offer an alternative payment method and system to the credit card transaction described in the foregoing section.